

United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

ARCHIVE OF PRESS RELEASES
ISSUED BY CHAIRMAN NORM COLEMAN

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 July 22, 2004

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**COLEMAN HEARING EXPLORES SAFETY ISSUES
 AND CONCERNS RELATED TO INTERNET DRUG SALES**
*PSI Chairman urges federal agencies to bolster enforcement to ensure public access
 to safe and affordable drugs ordered on the Internet and commends private sector efforts*

July 22nd, 2004 - Washington, DC - In his second hearing on the dangers of purchasing pharmaceuticals over the Internet, Senator Norm Coleman (R-MN), Chairman of the Senate Permanent Subcommittee on Investigations, said federal authorities must act to confront and contain the threat to the health and safety of Americans who increasingly order and import pharmaceuticals over the Internet, often without a medical prescription.

"I am concerned by the apparent lack of progress in getting our arms around this glaring problem," Senator Coleman said. "Those charged with the responsibility to protect American consumers from the illegal importation of controlled substances and counterfeit or unsafe drugs cannot allow themselves to fall victim to rapidly advancing technology."

At his first hearing on June 17, 2004, Senator Coleman released the results of a report in which the General Accounting Office (GAO), at PSI's request, used the Internet to purchase numerous prescription drugs – including highly-addictive narcotics and other controlled substances. PSI investigators also found that John F. Kennedy Airport alone receives 40,000 drug packages daily, including the date-rape drug GHB (which had been ordered by teenagers), codeine-laced products, morphine, fake Lipitor, injectible steroids from China, boxes of unidentified drug product and counterfeit Viagra.

Given the overwhelming volume, FDA and Customs officials testified that vast quantities of prescription drugs and controlled substances that are illegally imported into the U.S. are not screened or regulated in any manner whatsoever.

"Simply put, we are drowning in a flood of imported drugs of unknown composition and origin as well as potentially lethal controlled substances," Coleman said. "Despite yeoman efforts, because of the sheer number of controlled substances being imported, Customs can screen only a fraction of the packages that contain controlled substances."

The findings of the investigation have led Senator Coleman to introduce two bills (S. 2464 and S. 2465) to insure the safety of buying pharmaceuticals online and to increase the resources and authority of federal agencies responsible for the accountability and enforcement of Internet pharmacies foreign and domestic. Coleman's safety provisions have also been included in the Safe IMPORT Act introduced recently by Senator Judd Gregg (R-NH).

"For consumers, buying drugs over the Internet without a legitimate prescription is no safer than taking drugs offered to you by a street corner hustler," Coleman said. "We have developed multiple strategies for controlling and shutting down the corner street hustler. We must approach Internet drug sales with the same vigor."

Coleman commended several members of the private sector, who testified on their efforts to cut off the flow of unsafe drugs over the Internet and to prevent illicit transactions from rogue on-line pharmacies. “Interestingly, in comparison to the federal government’s response, the response of much of the private sector has been swift and proactive,” Coleman stated.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 June 17, 2004

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COLEMAN HEARING EXPOSES DANGERS OF BUYING PHARMACEUTICALS OVER THE INTERNET

Findings underscore need for stricter safety measures to protect consumers and increase safety of reimportation

June 17th, 2004 - Washington, DC - In the first of two hearings on the dangers of ordering pharmaceuticals over the Internet, Senator Norm Coleman (R-MN), Chairman of the Senate Permanent Subcommittee on Investigations (PSI), said a six month PSI investigation reveals grave safety concerns about on-line pharmacies, many of which routinely dispensed narcotics and other controlled substances to investigators without a prescription and provided counterfeit, unsafe, or illegitimate medications.

“Internet Pharmacies have the potential for bringing important and in many cases life saving drugs to our homes in a way that we have never before imagined,” Coleman said. “But, unless we understand the safety issues surrounding the use of the Internet and the delivery of prescription drugs, what should be about improving our lives – may very well end up costing lives.”

Coleman released the results of a report in which the General Accounting Office (GAO), at PSI’s request, used the Internet to purchase numerous prescription drugs – including highly-addictive narcotics and other controlled substances.

In a parallel effort PSI examined the influx of foreign pharmaceuticals overwhelming authorities at three of the nation’s busiest ports of entry—airports in New York, Chicago, and Miami. Investigators found that John F. Kennedy Airport alone receives 40,000 drug packages daily. Given the overwhelming volume, FDA and Customs acknowledge that the vast majority of prescription drugs and controlled substances that are illegally imported into the U.S. through JFK are not screened or regulated in any manner whatsoever.

“We know we have no shortage of access to drugs from countries all across the world,” Coleman said. “What we really need, is a national strategy for separating out drugs that can heal – drugs that can kill – and, determining what our best options are for regulating Internet pharmacies.”

GAO attempted to purchase 13 drugs from Internet pharmacies and received 68 samples of 11 of these 13 drugs. Five U.S. and all 18 Canadian pharmacies required the patient to provide a prescription, whereas the remaining 24 U.S. and all 21 other foreign Internet pharmacies issued prescriptions based on their own medical questionnaires or had no prescription requirements. Thus, 45 out of 68 purchases (66 percent) did not require a prescription.

The 68 drug samples GAO received exhibited a wide range of safety risks. These included counterfeit drugs, damaged product, lack of proper packaging, no warning information, no instructions for use, and drugs not approved for the U.S. market.

Among those testifying were Ms. Francine Haight, who lost her son Ryan to illegal drugs purchased through domestic Internet companies and Ms. Elizabeth Carr, who lost her husband James to illegal drugs purchased through international Internet companies.

“Never did I think you could so easily get prescription drugs on the Internet. I was in shock,” Ms. Haight testified. “Being an RN, I always thought that controlled substances were under lock and key. Ryan was encouraged to obtain powerful narcotics that required nothing but filling out a simple questionnaire on the Internet.”

The dangerous drugs PSI detected in foreign shipments included the date-rape drug GHB (which had been ordered by teenagers), codeine-laced products, morphine, fake Lipitor, injectible steroids from China, boxes of unidentified drug product and counterfeit Viagra that differed considerably in strength from the labeled dosage. Some drugs that needed to be insulated and temperature-controlled were shipped without insulation and at room temperature. Other containers were shipped without labeling, instructions or warning materials. PSI also discovered packages that were damaged, which could expose the drugs to damaging light or moisture.

The findings of the investigation have led Senator Coleman to introduce two bills (S. 2464 and S. 2465) to insure the safety of buying pharmaceuticals online and to increase accountability and enforcement of Internet pharmacies foreign and domestic. Coleman’s safety provisions have also been included in the Safe IMPORT Act introduced recently by Senator Judd Gregg (R-NH).

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 June 2, 2004

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COLEMAN COAUTHORS BILL TO ALLOW DRUG REIMPORTATION

Bill includes Coleman's comprehensive safety provisions

June 2nd, 2004 - Washington, DC - After months of investigating safety concerns involved in purchasing pharmaceuticals on-line and collaborating in the drafting of legislation to address those concerns, Senator Norm Coleman (R-MN) today introduced legislation, which he coauthored, with Health, Education, Labor, and Pensions Committee Chairman Judd Gregg (R-NH) and Senator Gordon Smith (R-OR). The bill, known as the Safe Import Act, would allow the reimportation of prescription drugs for the first time and contains safety provisions authored by the Minnesota senator.

"The safety provisions included in the Gregg bill are the most comprehensive to date", Coleman said. "While no system is foolproof, I have confidence that the safety provisions in this bill effectively address most of the safety concerns that I have uncovered in my investigation of imported drugs and Internet pharmacies that I conducted as Chairman of the Senate Permanent Subcommittee on Investigations."

The Safe Import Act introduced today allows individuals, pharmacies, and wholesalers to safely import FDA-approved prescription drugs from Canada and from as many as 15 western European countries. For the first time, individuals will be able to legally import prescription drugs for their personal use.

"All Americans deserve access to the safest, most affordable prescription drugs available. Like many of my colleagues, I have strongly opposed the idea that reimportation without addressing the legitimate issues of safety was acceptable public policy," Coleman said. "Today, I am proud to join with my colleagues in taking the first step in addressing those safety concerns, and providing new options to Americans to access affordable and safe – prescription drugs."

The legislation also contains strict safety measures to ensure that Internet pharmacies are legitimate, licensed, and accountable, establishing a new "user fee" program for businesses engaged in reimportation to provide the Food and Drug Administration with sufficient resources to ensure system-wide safety.

"I worked collaboratively with Senator Gregg to include stringent safety provisions that will to the greatest extent possible ensure that counterfeit, adulterated, subpotent or expired drugs will not enter the U.S. drug supply," Coleman said. "Internet pharmacies are required to display identifying information that will allow federal authorities to verify pertinent information, requires a legitimate prescription, precluding the use of on-line questionnaires as a substitute for a prescription and requires an in-person examination and relationship between a patient and a doctor. These provisions will prevent the unauthorized distribution of dangerous and addictive controlled substances."

As Chairman of the Senate Subcommittee on Investigations, Coleman has been conducting a six month probe into the dangerous and addictive controlled substances, steroids, expired and counterfeit drugs imported and available through on-line pharmacies. That investigation led Coleman to author two bills focused on improving the safety and enforcement of on-line drug sales. The findings of the PSI investigation will be revealed at a June hearing.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 May 20, 2004

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COLEMAN INTRODUCES BILLS TO MAKE PURCHASING DRUGS ONLINE SAFER

Working to include new safety provisions in a comprehensive reimportation bill to be introduced by Senator Judd Gregg (R-NH) in next few weeks

May 20th, 2004 - Washington, DC - Citing the need to provide consumers with the safest and most affordable prescription drugs through the Internet and reimportation, Senator Norm Coleman (R-MN) today introduced two bills expanding federal authority to prevent controlled substances from flooding into the U.S., authorizing states to shut down illegitimate virtual pharmacies, and barring Internet drug stores from dispensing drugs to customers referred to on-line doctors for a prescription.

“This legislation provides a new measure of safety currently missing when consumers try to buy medications on-line through Internet pharmacies,” Coleman said. “If enacted as stand-alone measures, each of these bills will make on-line drug purchasing safer from legitimate domestic Internet sites. But these safety features could also make reimportation of drugs far safer and more secure. So I am working with Senator Gregg (R-NH) to include these safety provisions in his comprehensive reimportation bill.”

The bills follow a six month probe into the dangerous and addictive controlled substances, steroids, expired and counterfeit drugs imported and available through on-line pharmacies by the Permanent Subcommittee on Investigations, chaired by Senator Coleman. The findings of the PSI probe will be revealed at a hearing on June 17th. Each bill is named for a young man who died tragically as a result of obtaining dangerous drugs over the Internet.

The Internet Pharmacy Consumer Protection Act (The Ryan Haight Bill), a bipartisan bill co-sponsored by Senator Dianne Feinstein (D-CA), targets domestic Internet pharmacies that sell drugs over the Internet without a valid prescription by (1) providing new disclosure standards for Internet pharmacies; (2) barring Internet sites from selling or dispensing prescription drugs to consumers who are provided a prescription solely on the basis of an online questionnaire; and (3) allowing state attorneys general to go to federal court to shut down rogue sites nationwide, rather than just in their individual jurisdictions.

“The growing abuse of prescription drugs coupled with the ease of access to the Internet has led to an environment where illegitimate pharmacy websites are bypassing regulations governing the sale of prescription drugs,” Senator Feinstein said. “This includes allowing consumers to obtain prescriptions drugs without the existence of a bona fide physician-patient relationship, which can pose an immediate threat to public health and safety. With simple disclosure requirements for Internet sites such as names, addresses and medical or pharmacy licensing information, patients will be better off and state medical and pharmacy boards can ensure that pharmacists and doctors are properly licensed.”

The Act to Prevent the Illegal Importation of Controlled Substances (The Todd Rode Bill) targets the tens of thousands of dangerous and addictive controlled substances that are streaming into the U.S. daily from overseas Internet pharmacies. The Act enables Customs to immediately seize and destroy any package containing a controlled substance that is illegally imported into the U.S. without having to fill out duplicative forms and other unnecessary administrative paperwork.

“When I visited JFK International in March, I was stunned by the vast amounts of illegal and potentially lethal drugs ordered over the Internet that are pouring through our borders everyday,” Coleman continued. “This bill cuts through the red tape, allowing U.S. Custom agents to apprehend any illegally imported drugs and destroy them on the spot. These agents are our first and last line of defense in preventing dangerous drugs from being imported by consumers who often are vulnerable or unaware of the risks.”

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
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FOR RELEASE
 May 12, 2003

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SENATE ADOPTS LEVIN-COLEMAN AMENDMENT TO CLAMP DOWN ON TAX SHELTER ABUSE

Tougher penalties will increase penalties for promoters of abusive tax shelters

May 12th, 2004 - Washington, DC - Today the Senate unanimously adopted an amendment offered by Sen. Carl Levin, D-Mich. and Sen. Norm Coleman R-Minn., the senior Democrat and Chairman on the Senate Permanent Subcommittee on Investigations, to increase penalties on persons who promote abusive tax shelters or knowingly aid or abet tax evasion.

“Abusive tax shelters are undermining the integrity of our tax system, robbing the treasury of tens of billions of dollars each year, and shifting the tax burden from high-income corporations and individuals onto the backs of the middle class,” Levin said. “Current tax shelter penalties are a joke. A \$1,000 fine for selling a million-dollar abusive tax shelter is equivalent to a parking ticket and an invitation to continuing abuse. Our amendment would help put a stop to the millions of dollars in profits that now fuel the promotion of abusive tax shelters.”

“As a result of the PSI hearings on abusive tax shelters, I vowed to work with Senator Levin on legislative solutions,” Coleman said. “Today, I am pleased that both sides of the aisle were able to agree that harsher penalties for tax shelter promoters is such a solution. Our amendment’s provisions to substantially increase penalties for the promoters who manufacture these sham transactions so that they must give back all of their ill-gotten gains is vital to restoring the integrity of our tax laws and deterring future tax avoidance. Equally, increasing the amount of penalties for aiders and abettors of tax shelters to include entities other than the tax return preparer will address the issue of accountants, lawyers, investment advisors, and bankers who collaborate and facilitate putting together abusive tax scams that rob the Treasury of billions of dollars in revenue.”

The Levin-Coleman amendment was offered to a tax bill, S.1637, undergoing Senate consideration. Prior to the amendment’s adoption, S.1637 had raised the maximum civil penalty for promoting an abusive tax shelter from \$1,000 under current law to 50% of the gross income earned by a tax shelter promoter from an abusive shelter. Because the proposed penalty allowed promoters to keep half of their tax shelter income, the Levin-Coleman amendment doubled the penalty to 100%. By setting the penalty at 100% of the tax shelter income, the amendment ensures that promoters would be unable to keep any of their ill-gotten gains.

“Tax chiseling hurts average Americans by forcing them to make up lost revenues and constricting resources for essential government programs,” Levin continued. “Promoters of abusive tax shelters should not profit from their misdeeds, but a 50% penalty would continue to allow them to do exactly that. Requiring an abusive tax shelter promoter to cough up all of its ill-gotten gains is fair and is a needed step toward providing a real deterrent.”

The promotion of abusive tax shelters is prohibited under tax code section 6700, while the prohibition on aiding or abetting a taxpayer’s understatement of tax liability is contained in tax code section 6701.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
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FOR RELEASE
 May 11, 2004

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COLEMAN VOTES TO PASS JOBS LEGISLATION VITAL TO MAINTAINING AMERICAN ECONOMIC EXPANSION

Bill includes Coleman provision that provides economic boost for rural communities and would end the triple tax on farmer-owned cooperatives; Also includes Levin-Coleman amendment to crack down on abusive tax shelters that cost taxpayers billions

May 11th, 2004 - Washington, DC - Minnesota Senator Norm Coleman today joined a majority of his colleagues in passing the Jumpstart Our Business Strength (JOBS) Act of 2004, a bill vital to helping U.S. manufacturers stay competitive in the global market place and necessary to stop European Union (EU) retaliatory tariffs against U.S. products, including many products from Minnesota. Senate Democrats have been filibustering this economically vital piece of legislation since March, and finally agreed to a vote today.

“Today is an important and great day for the American economy,” said Coleman. “The European Union had imposed retaliatory tariffs against U.S. products, including many Minnesota products, and would have stepped those tariffs up each month. The JOBS bill, legislation I have worked hard to get passed and voted for today, will put an end to those tariffs and provide \$170 billion in tax relief for U.S. manufacturers to help them compete on a global playing field that is not always level. This legislation is going to help grow American jobs.”

The National Association of Manufacturers said that it was absolutely necessary to pass the JOBS bill in order to keep U.S. manufacturers competitive and to retain American jobs. In January of 2002, the World Trade Organization (WTO) authorized the European Union to impose tariffs on nearly 100 types of U.S. exports if a tax credit (Known as FSC/ETI) was not retooled. The punitive tariffs started at 5% on March 1st, increased to 7% on May 1st, and were scheduled to increase 1% each month until reaching 17% next March.

The JOBS bill restructures U.S. tax code to help American businesses compete in a global market that is not always free or fair. The JOBS bill brings U.S. tax policy into compliance with WTO rules while at the same time reducing the top tax rate for U.S. manufacturers from 35% to 32%.

The JOBS bill also includes renewable energy provisions vital to Minnesota, including wind energy tax incentives, without which we would have risked losing thousands of jobs this year alone and would have put new wind energy production and nearly \$2 billion in economic activity on hold, and the biodiesel tax credit, which is essential to triggering the 2 percent state requirement and getting this industry off the ground. The ethanol volumetric tax credit, which Coleman has led the effort in promoting, is also included in this bill and would give Minnesota an 81-percent increase in highway funding, the largest in the country. Finally, the small ethanol producers tax credit is improved to make Minnesota farmer owned plants more competitive.

“I’m thrilled we were finally able to get these vital renewable fuels provisions past the Senate and closer to becoming the law of the land,” Coleman said. “I worked hard to include a provision in the JOBS bill that expands and extends the wind and biomass energy production tax credit. And thanks to volumetric tax credit for ethanol and biodiesel included in this legislation, we are well on the way to expanding renewable fuel use in this country while at the same time increasing Minnesota’s share of federal transportation funds by 80%, the largest increase in the country.”

The JOBS bill that passed the Senate today also includes an amendment authored by Coleman and Senator Blanche Lincoln, a Democrat from Arkansas, that would eliminate the discriminatory triple tax on farmer-owned cooperative dividend. Also included are tax credits coauthored by Coleman for rural communities that would provide a tax credit for up to 30% of qualified investments in rural small businesses, up to a 70% credit for investment in newly constructed buildings in rural areas, and a 30% credit for investment in expansion of existing buildings. Also included in the bill was a provision to eliminate the triple tax on cooperative dividends, which are currently 60% higher than the tax on corporate dividends.

“I am also pleased to report that a provision I authored with Senator Lincoln was included in the JOBS bill and would end the triple tax on farmer-owned cooperatives,” Coleman said. “Minnesota is the number one farmer-owned cooperative state in the country and this legislation will be a big boost in increasing investment in rural areas.”

Finally, the JOBS bill that passed the Senate today includes an amendment authored by Coleman, who is chairman of the Senate Permanent Subcommittee on Investigations (PSI), and Senator Carl Levin (D-MI), the Committee’s ranking member, that would increase penalties for the promotion of abusive tax shelters. In November, PSI held two hearings on controversial tax shelters sometimes promoted by major financial consulting firms that annually cost the U.S. Treasury \$11-15 billion in lost revenue.

"As a result of the PSI hearings on abusive tax shelters, I vowed to work with Senator Levin on legislative solutions," Coleman said. "Today, I am pleased that both sides of the aisle were able to agree that harsher penalties for tax shelter promoters is such a solution. Our amendment's provisions to substantially increase penalties for the promoters who manufacture these sham transactions so that they must give back all of their ill-gotten gains is vital to restoring the integrity of our tax laws and deterring future tax avoidance. Equally, increasing the amount of penalties for aiders and abettors of tax shelters to include entities other than the tax return preparer will address the issue of accountants, lawyers, investment advisors, and bankers who collaborate and facilitate putting together abusive tax scams that rob the Treasury of billions of dollars in revenue."

The Levin-Coleman amendment increases the penalties for the promotion of abusive tax shelters from 50% of the promoters' gross income from the shelter to 100% and also increases the penalties for knowingly aiding and abetting an understatement of tax liability from 50% of the gross income from the prohibited activity to 100% of the gross income and expands the penalty to apply to all persons who aid and abet. Current law limits the aiding and abetting penalty to tax preparers.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
March 24, 2004

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COLEMAN CHAIRS HEARING ON WRONGDOINGS IN CREDIT COUNSELING INDUSTRY

March 24th, 2004 - Washington, DC - Today Senator Norm Coleman chaired a hearing of the Permanent Subcommittee on Investigations (PSI), "Profiteering in a Non-Profit Industry: Abusive Practices in Credit Counseling." Victims of credit counseling malpractice as well as representatives from the industry came forward to testify at today's hearing.

"The credit counseling industry has undergone significant changes," Coleman said. "New and aggressive credit counseling agencies have changed the manner in which consumers are treated. These changes have resulted in consumer complaints about excessive fees, pressure tactics, non-existent counseling and education, promised results that never come about, ruined credit ratings, poor service, and in many cases being left in worse debt than before they initiated their debt management plan."

PSI's investigation into the credit counseling industry has revealed an alarming metamorphosis from what was once a consumer-friendly, social service industry into a profit-driven, commercial enterprise. Rather than setting up community-based organizations designed to operate at cost and deliver education and counseling, new and aggressive entrants have instead developed "turnkey" storefronts designed to enroll as many debtors as possible onto debt management plans and siphon off every dollar possible into affiliated for-profit companies. These practices may violate the Internal Revenue Code and have a negative impact on consumers who are already in a vulnerable financial position. Debtors who fall victim to the debt mills are often charged exorbitant fees and are given little or no actual counseling and education.

"Clearly, something is wrong with the credit counseling industry," Coleman continued. "So, what has gone wrong? What has happened? It would seem that money is the root cause of these problems. Many of these new entrants in the credit counseling industry have developed a business model which is based on generating revenue rather than providing counseling to indebted consumers."

The five-month investigation focused on three major debt management conglomerates and their affiliated for-profit, back-office "processing services" companies. The "processing services" performed by such companies include just about every single function other than actually enrolling the debtor onto a debt management plan.

Though the Federal Trade Commission and the Internal Revenue Service seem to be aware of the major problems in the credit counseling industry, their efforts to date do not ensure that the problems will be promptly or effectively resolved. PSI has issued a report with recommendations for reforming the industry by accelerating enforcement efforts, increasing penalties, and introducing new protections for debtors.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
March 17, 2004

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**COLEMAN AT JFK INTERNATIONAL IN NYC TO TAKE SAFETY INSPECTION TOUR OF
DANGEROUS AND ADDICTIVE PHARMACEUTICALS ORDERED ON THE INTERNET**
MN Senator takes investigation into nation's busiest port of entry for imported drugs

March 17th, 2004 - New York, NY - Senator Norm Coleman (R-MN), accompanied by former New York City mayor Rudolph Giuliani and former New York Police Department commissioner Bernard Kerik, took a tour of the International Mail Branch Facility at John F. Kennedy International Airport today in an effort to examine the integrity of mail-order drugs obtained from the Internet domestically and from foreign countries. The purpose of the tour was to investigate the potential threats resulting from the surge in drug imports largely ordered on the Internet and pouring in from abroad at the nation's busiest port of entry for foreign pharmaceuticals.

"I came here to see for myself and to garner objective facts, Coleman said. "We need to know the magnitude of the problem including the types of dangerous and potentially addictive controlled substances and the quantity of drugs flooding into the U.S. from foreign Internet websites. That is why we are here."

The Senate Permanent Subcommittee on Investigations (PSI), which Coleman chairs, is currently investigating the extent to which consumers can purchase pharmaceuticals over the Internet without a prescription or medical diagnosis and whether the pharmaceuticals entering the United States from foreign sources are counterfeit, expired, or unsafe. Additionally, the Subcommittee will look at the appropriate role of the FDA, Bureau of Customs and Border Protection, and DEA in preventing the importation of pharmaceuticals that do not meet FDA standards.

"As we debate the issue of the importation of drugs, it is critical to understand the extent of risk involved," Giuliani said. "Serious questions have been raised about the level of counterfeit, subpotent and mislabeled medicines imported into the United States. It needs critical review. I want to thank Senator Coleman and his Subcommittee for their focus and efforts on this important issue."

Coleman invited Giuliani and Kerik, experts in security and international terrorism, to join his fact-finding investigation to assess the volume of pharmaceutical products entering the U.S., identify counterfeit drugs and dangerous controlled substances delivered through mail-order operations, as well as identify the countries where these drugs originated. The pharmaceutical industry (PhRMA) has retained Giuliani and members of his team at Giuliani Partners as consultants and experts in border security and public safety issues in order to review the current situation.

Coleman plans to call a hearing of PSI later this year on the issue of drugs ordered over the internet. Giuliani and his colleagues will present their findings at those proceedings.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 January 12, 2004

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**COLEMAN APPLAUDS KPMG'S BOLD STEPS IN ADDRESSING MULTI-BILLION DOLLAR TAX
 SHELTER SCHEMES**

PSI Chairman says changes show industry following through after November hearings

January 12th, 2004 - WASHINGTON—Following changes announced today by KPMG in response to an extensive investigation into the development and marketing of illegal and controversial tax shelters, Senator Norm Coleman (R-MN) said KPMG's action shows the accounting firm is following through on its commitment to change course following two highly critical November hearings by the Permanent Subcommittee on Investigations (PSI).

KPMG today announced key management changes and an on-going commitment to focus on its tax practices and procedures in light of the PSI investigation implicating prestigious accounting, legal and financial firms in the selling of tax shelters to corporations and wealthy individuals. KPMG also said today that: Jeff Stein, the KPMG's Deputy Chairman, is "leaving the firm," Richard Smith, Vice Chairman, Tax Services, is being "reassigned" and Jeff Eisheid, Head of Personal Finance has been placed on administrative leave.

"I applaud the actions of KPMG to make sure the individuals involved in this scandal will no longer play active roles in this company," Coleman said. "The departure of these three individuals together with substantial changes in operating procedures allows KPMG to begin with a clean slate. This strong action on the part of KPMG reaffirms the promise they made at our hearings -- that they are truly committed to ensuring the highest ethical standards in their accounting practices."

In November, PSI held two hearings on the controversial Tax Shelters that annually cost the Treasury \$11-15 billion in lost revenue. The subcommittee uncovered evidence that the transactions studied were deliberately designed to avoid detection by the IRS. Far from being a victimless crime, this hurts the average American by diverting revenue. It is not the government that loses the diverted revenue, but average working families.

While calling today's announcement by KPMG a move toward restoring public confidence, Coleman made it clear more corrective action needs to be taken following the abuses exposed by the PSI investigation and hearings.

"Abusive tax shelters involve more than accounting firms," Coleman said. "Lawyers, bankers, and financial advisors are all implicated. As a result, I have taken a deep interest in this matter and will continue to explore legislative remedies to address this problem in order to prevent this from happening again."

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
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Norm Coleman, Chairman

Carl Levin, Ranking Minority Member

FOR RELEASE
 November 6, 2003

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COLEMAN HEARING EXPOSES DOD'S MULTIMILLION DOLLAR TRAVEL ABUSES

Coleman signs onto Grassley legislation to stop abuse, Both Senators commit to expanding scope of initiative to include centrally billed accounts

November 6th, 2003 - WASHINGTON—Releasing the results of a highly critical GAO audit today at a Permanent Subcommittee on Investigations (PSI) hearing, Senator Norm Coleman (R-MN) chastised the Department of Defense for wasting tens of millions of taxpayer dollars a year by flouting DOD travel guidelines and routinely booking top dollar first and business class airline tickets.

“The current system allows for abuse. It must be fixed. To paraphrase an old adage—“watch the millions and the billions take care of themselves,” Senator Coleman said. “Our goal today is to ground the high flyers who abuse the system and to ensure DOD is committed to implementing long-term solutions to this costly problem.”

As a direct result of the subcommittee hearing and GAO’s findings, Coleman also announced that he would become a co-sponsor of the “Credit Card Abuse Prevention Act of 2003”, authored by Senator Grassley, that will serve as one step towards putting an end to the abuse. Coleman stated that as a result of information learned during the hearing, he and Senator Grassley agreed to work to include additional safeguards to prevent unauthorized travel by including centrally billed travel accounts within the legislation.

“We have a strong tool with this legislation to stop the abuse,” said Coleman. “I am proud to be a part of this important legislation created by Senator Grassley, and pleased that we will be able to expand the scope of the prevention measures to include those activities that have been a part of the DOD travel abuse.”

While DOD personnel may use first and business class travel, it must be properly authorized by a designated official and then justified by the traveler. It is usually only approved when exceptional circumstances warrant the additional cost. Based on extensive analysis of 68,000 premium class tickets costing nearly \$124 million in fiscal years 2001 and 2002, GAO found that 72 percent of DOD’s premium class travel was not properly authorized and 73 percent was not properly justified by the employee. Each premium class ticket costs the government up to thousands of dollars more than a comparable coach class ticket.

The GAO report is the latest in a series of reports showing high delinquency rates and significant potential fraud and abuse related to the Department of Defense’s travel program and management of its various credit card programs. Higher-ranking civilian personnel and military officials accounted for nearly half of the premium class transactions, according to the study. Senator Coleman, Chairman of PSI, cited several of the worst examples:

- A DOD employee flew first class on a round trip ticket from Los Angeles to Washington, D.C. for \$3,253 compliments of the federal government. A coach fare for the same trip would have cost \$238, a difference of \$3,015.
- Another employee flew business class on a round trip ticket from Washington, D.C. to Taiwan for \$4,319 when a coach fare for the same trip would have cost \$1,450, a difference of \$2,869.

- A family of four relocated from London to Honolulu and flew first and business class non-stop at a cost to taxpayers of \$20,943 – had they simply made the effort to reduce costs and follow travel procedures, they would have saved taxpayers \$18,443.

The audit found that DOD does not have the management controls in place to identify improper use of premium class travel, resulting in “millions of dollars of unnecessary costs” annually. To further reduce travel abuses and costs, the GAO report makes several recommendations for improving controls over authorization and justification, policies and procedures, and monitoring and oversight of first and business class travel. DOD officials agreed with the GAO recommendations and have begun implementing changes.

“Where we find fraud and abuse, we must not only root it out – but, we must fix it and stop it from occurring again,” Coleman said.

Senator Charles Grassley (R-IA) and Congresswoman Janice D. Schakowsky (D-IL), who requested the GAO audit with Senator Coleman, testified at the hearing.

“Unless the Defense Department gets serious about internal controls and enforces its own regulations, we will continue to find waste, fraud, and abuse throughout the Department,” Senator Grassley testified. “Some improvements may have been made, but I see no sign that the Department of Defense has made a concerted effort to implement a positive control environment throughout the Department. Every time we peel back another layer of abuse, we find another just below.”

“It is ironic that massive financial abuses, including tens of millions in improper first and business class travel, are occurring at the Department of Defense, an institution that places a premium on discipline, the chain of command and accountability,” Congresswoman Schakowsky said. “That makes the culture of waste, fraud and abuse that seems to permeate all aspects of DoD's fiscal operations all the more intolerable. This has to stop. It is unfair to our soldiers and to U.S. taxpayers.”

Other witnesses included Mr. Gregory Kutz, Director, GAO Financial Management and Assurance Team, Mr. John Kelly, Assistant Director, GAO Financial Management and Assurance Team, Mr. John Ryan, Assistant Director, GAO Office of Special Investigations, Mr. Lawrence J. Lanzillotta, Principal Deputy Under Secretary (Comptroller), DOD and Mr. Charles S. Abell, Assistant Secretary of Defense (Force Management Policy) DOD.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman

Carl Levin, Ranking Minority Member

FOR RELEASE
 October 3, 2003

CONTACT:
 Tom Steward - 202/224-2995

**COLEMAN TO HOST FIELD HEARING IN ST. LOUIS PARK ON MINNESOTA'S EFFORTS TO
 PREPARE FOR POSSIBLE SARS OUTBREAK DURING THE FLU SEASON**

NOTE: Location Changed from University of Minnesota to St. Louis Park High School

October 3rd, 2003 - WASHINGTON, DC — School nurses, hospital administrators, and health experts will provide testimony on how they would respond to a sudden outbreak of SARS and how they would contain and protect students, patients and the public from the potentially fatal disease at a field hearing October 8th of the Permanent Subcommittee on Investigations chaired by Senator Norm Coleman. The location of the hearing will now be St. Louis Park High School.

“We now know that SARS is likely to return and that our communities need to be ready to respond,” Senator Coleman said. “We’re running short on time and I want to make sure that Minnesota is getting the help it needs to contain any new case of SARS.”

The objective of this hearing will be to focus on what public facilities such as school and hospitals have done to prepare for the upcoming flu season. The possible reemergence of Severe Acute Respiratory Syndrome (SARS) in the winter months was inferred in a previous PSI hearing on SARS. Coleman wants to ensure that states are ready to handle this health problem efficiently and effectively.

The Subcommittee expects to hear from Diane Mandernach, Commissioner of Minnesota’s Department of Health and Dr. Michael T. Osterholm, Director of the Center for Infectious Disease Research and Policy at the University of Minnesota. Additional witnesses will include Jeff Spartz, administrator of the Hennepin County Medical Center, Ann Hoxie, student wellness administrator for the St. Paul Public Schools, Mary Crow, vice president, patient care services at Northfield Hospital, and Deb Hermann, lead nurse in Marshall School District.

This is Chairman Coleman’s third hearing on SARS. During a May 21st hearing, the subcommittee was warned by top health care experts that SARS will almost certainly return during the regular flu season. On July 30th, the Subcommittee held a second hearing to hear the results of a GAO study on how best to handle the epidemic and to learn what the Center for Disease Control and Prevention is doing to help local areas prepare.

WHEN: Wednesday, October 8
 10:00 a.m. CDT

WHERE: St. Louis Park High School – Room C350
 6525 W 33rd Street
 St. Louis Park, MN

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 September 16, 2003

CONTACT:
 Tom Steward - 202/224-2995

**COLEMAN SEEKS INFORMATION ON FILE-SHARING CRACKDOWN,
 INDUSTRY IMPACT OF PEER-TO-PEER NETWORKS
 AND NEW INDUSTRY BUSINESS MODELS**

*Sets September 30 hearing date and expands hearing to include impact on Hollywood
 and possible new industry models in era of technological advances*

September 16th, 2003 - WASHINGTON, DC—Senator Norm Coleman (R-MN) has scheduled a hearing of the Permanent Subcommittee on Investigations (PSI) on September 30th to scrutinize the Recording Industry Association of America's crackdown on illegal file-sharers. As part of the three panel hearing, the subcommittee will also examine the impact of technology on the future of the entertainment industry, proposals by peer-to-peer networks to change their business models and the potential changes that are coming in the recording industry, including the motion picture industry.

As Chairman of the Permanent Subcommittee on Investigations, Coleman has acknowledged the detrimental economic impact on the music industry of illegal file-sharing and copyright infringement. At the same time, Coleman has expressed concern that nominal or unsuspecting downloaders may be targeted and that fines of up to \$150,000 per downloaded song may be out of proportion to the nature of the offense.

"My goal is to focus on today's problems facing both consumers and the industry given the runaway expansion of file-sharing with an eye toward tomorrow's solutions," Senator Coleman said. "I want to seek balanced solutions that preserve individual privacy, protect industry copyrights, and look to a future in which the music and motion picture industries are ahead of the digital curve in creating new customers instead of alienating them."

The scheduled PSI hearing follows the filing by the RIAA last week of 261 civil lawsuits seeking thousands of dollars in damages from defendants who have allegedly uploaded an average of 1,000 songs to peer-to-peer networks. The RIAA has sent some 1,500 subpoenas to internet service providers seeking the names of music sharers and has threatened to issue thousands more lawsuits.

The hearing will focus on key issues facing the industry and consumers:

- Is the industry being reasonable in its application of the sweeping powers granted under the Digital Millennium Copyright Act and targeting of potential illegal file-sharers?
- What role is the peer-to-peer industry playing in the industry troubles and what are they doing to address the problem of illegal file-sharing?
- What is the future of the music recording and motion picture industry in this digital age and how can new technologies be incorporated into business models?

The subcommittee will hear from a cross-section of individuals representing the recording and motion picture industries, consumers, and peer-to-peer networks. While still being compiled, the panels will likely include representatives of the RIAA, the peer-to-peer industry, other entertainment industry representatives, a subject of

an RIAA subpoena and a perspective of an entirely new business model that assumes future changes in technology and its impact on the entertainment industry.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 August 14, 2003

CONTACT:
 Tom Steward - 202/224-2995

**COLEMAN ACKNOWLEDGES RECEIPT OF NARRATIVE RESPONSES AND SUBPOENAS FROM
 RECORDING INDUSTRY**

PSI to expand its review to include criminal penalties related to file sharing

August 14th, 2003 - WASHINGTON, DC – Senator Norm Coleman announced today that the Senate Permanent Subcommittee on Investigations (PSI) has received copies of 1,075 subpoenas that have been issued by the U.S. District Court for the District of Columbia. The committee also received an 11-page response to questions that Coleman, who is chairman of PSI, submitted in a July 31 letter to the Recording Industry of America (RIAA).

“I am pleased with RIAA’s willingness to respond to my request in such a timely, thoughtful and thorough manner,” Chairman Coleman said. “The Association’s response was appreciated.”

At the moment, Coleman and the PSI staff are in the process of reviewing the material RIAA submitted. Coleman responded to RIAA with a letter of acknowledgement that is included with this release.

“It is my steadfast belief that the recording industry has legitimate concerns about copyright infringement,” Coleman wrote. “From the inception of this inquiry, I have been deeply interested in protecting consumers’ privacy rights. However, while individuals have an expectation of privacy, this does not give them a right to steal. The industry has every moral right to develop practical remedies for protecting its rights. I believe the issue is one of proportionality. The punishment must fit the crime.”

Coleman intends to schedule PSI hearings to further investigate this matter.

“As Chairman of the Permanent Subcommittee on Investigations,” Coleman wrote, “I intend to assist in the development of remedies that will be reasonable and narrowly tailored to fit the extent of infringement.”

Coleman also announced that the Senate Permanent Subcommittee on Investigations will expand its review into issues involving the criminalization of nominal file sharing, as well as how the mechanics of peer-to-peer networks operate.

“Technology makes it easier than ever to take something that belongs to someone else,” wrote Coleman. “That does not make it right. Technology, coupled with balanced civil and criminal law, should also make it easier to ensure that the rights of consumers and the industry are safeguarded and enhanced.”

August 14, 2003

VIA U.S. MAIL & FACSIMILE (202/775-7253)

Mr. Cary H. Sherman
 President
 Recording Industry Association of America
 1330 Connecticut Avenue, NW
 Washington, D.C. 20036

Dear Mr. Sherman:

On Friday, August 8, 2003, I received copies of approximately 1,075 subpoenas that had been issued by the U.S. District Court for the District of Columbia at the behest of the Recording Industry Association of America (RIAA). This represents all of the subpoenas won by the RIAA since July 31, 2003. This morning I received narrative responses to questions that I posed to the RIAA in my July 31, 2003, Chairman's letter. I appreciate your timely and thoughtful response.

As you know, as a former prosecutor, I am concerned that the subpoena process established in the Digital Millennium Copyright Act (DMCA) could be subject to abuse. I believe that we have similar goals on this matter. While our means of achieving those goals may differ, I remain hopeful that we can find common ground that balances the rights of the industry and the consumer.

It is my steadfast belief that the recording industry has legitimate concerns about copyright infringement. From the inception of this inquiry, I have been deeply interested in protecting consumers' privacy rights. However, while individuals have an expectation of privacy, this does not give them a right to steal. The industry has every moral right to develop practical remedies for protecting its rights.

I believe the issue is one of proportionality. The punishment must fit the crime.

As Chairman of the Permanent Subcommittee on Investigations, I intend to assist in the development of remedies that will be reasonable and narrowly tailored to fit the extent of infringement.

Another issue that the Permanent Subcommittee on Investigations will review is the matter of criminalization of nominal file sharing. Legislative proposals designed to criminalize extensive file sharing have their place, but I am troubled that the "law of unintended consequences" might again be at work. Approaches that may involve heavy-handed criminal sanctions could actually undermine many of the productive efforts of the recording industry, and cause undue harm to individuals.

Technology makes it easier than ever to take something that belongs to someone else. This does not make it right.

Technology, coupled with balanced civil and criminal law, should also make it easier to ensure that the rights of consumers and the industry are safeguarded and enhanced.

Again it is an issue of proportionality.

During the course of this investigation, the mechanics of how peer- to-peer networks operate have also come into question. For example, when using peer-to-peer networks, do unsuspecting users know that when they download their favorite music they are breaking the law and simultaneously opening their personal computer hard-drives to the rest of the world? By utilizing peer-to-peer networks, do consumers understand that they may make their personal and financial information available, exposing themselves to identity theft? Research indicates that 41% of those who download files over peer-to-peer networks are between the ages of 12 and 18. Do parents understand that the anonymity and complexity of the operation of these peer-to-peer networks enables their children access to uncensored files of unknown content?

It is my intention to hold hearings in the near future on all of these matters, including a review of criminal penalties for file-sharing and the consumer protection issues involved in the usage of peer-to-peer networks.

These hearings will be based upon the facts and evidence that the Subcommittee discovers during the investigation. I believe that a further discussion of the pros and cons of strategies designed to protect the industry's rights, and their impact on consumers, is something that will be both beneficial, and enlightening, to the public and policymakers.

Thank you again for your prompt response, and I look forward to continuing to work with you to ensure that we strike an appropriate balance between the rights of copyright holders and the privacy rights of the consumers.

Sincerely,

Norm Coleman
Chairman
Permanent Subcommittee on Investigations

cc: Senator Carl Levin, Ranking Minority Member
Permanent Subcommittee on Investigations

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 May 21, 2003

CONTACT:
 Tom Steward - 202/224-2995

COLEMAN URGES GREATER LOCAL PREPAREDNESS TO WARD OFF FUTURE THREATS

"Not a question of if, but when...we got lucky, so far," said Senator Coleman

May 21st, 2003 - WASHINGTON, D.C. – Senator Norm Coleman, chairman of the Permanent Subcommittee on Investigations (PSI), held his first hearing on SARS and future disease threats in order to learn more about these fatal communicable diseases and the processes in place to fight them. Coleman heard testimony from several witnesses on the challenges they face at a local, state and federal level in dealing with this global threat.

“The front lines of our nation’s war against nature’s terror of communicable disease is, and will be, local government,” Coleman said. “The ability of our nation to defend herself from the terror inflicted by man through the use of chemical or biological weapons of mass destruction, will be through the efforts of local government officials. And as we heard here today, the evolution and transmission of the next disease is not a question of if – it is simply a matter of when.”

Senator Coleman, along Senators Carl Levin (D-MI), Frank Lautenberg (D-NJ) and Daniel Akaka (D-HI), heard testimony from experts out of the private, public and non-profit sector. All nine of the experts shared their views on the necessary resources and information sharing required to effectively battle SARS and other communicable diseases, along with the possibility of future outbreaks.

“When future outbreaks happen, our ability to contain it and survive it will largely depend on the local responders who treat the first cases,” Coleman said. “It is vital that we continue our investments in making sure that these responders have the resources, training, and support necessary to protect us.”

Dr. Michael Osterholm, Director of the Center for Infectious Disease Research and Policy at the University of Minnesota and also one of the nation’s leading experts in biological threats, warned that the current SARS outbreak may only be the tip of the iceberg.

“As an epidemiologist who has investigated hundreds of infectious disease outbreaks, including some caused by previously unrecognized infectious agents, both my learned opinion and best bet is that we have not yet begun to see the worst of SARS,” Dr. Osterholm testified.

Testifying on behalf of the airline industry, Vicki Grunseth, Chairperson of the Metropolitan Airports Commission in Minnesota, shared the experiences of the Minneapolis-St. Paul International Airport, the 8th busiest airport in America and 12th largest in the world. She made it clear that due to our travel habits SARS and other communicable diseases can reach anyone, anywhere.

“The airport is like an artery through which people and things pass into the heart of the country. Most of the things that flow through that artery are good,” Grunseth said. “But threatening things can also flow into Middle America through the airport artery, including potentially life-threatening viruses like SARS. If we don't act swiftly to stop them, they can wreak havoc in the Heartland and throughout our nation. On average, 100,000 travelers pass through Minneapolis-St. Paul International each day. ...Clearly, the potential for spread of infection is enormous if we don't respond effectively to diseases like SARS.”

Grunseth went on to acknowledge the good that can be done with proper measures and good communication between the various levels of government.

“It is important to note that not a single case of SARS has been transmitted on airline flights since the World Health Organization recommended in late March that passengers from affected nations be screened,” Grunseth said. “The World Health Organization's leadership, together with swift Federal action and cooperation from the aviation community, has effectively minimized the potential transmission of SARS on aircraft.”

As other witnesses testified, the experience the United States recently had with SARS was merely a wake up call. Dr. Julie Gerberding, Director of the Centers for Disease Control and Prevention made it very clear this is just the beginning and we must continue to pay attention. Communication is a key component in battling future outbreaks.

“Diseases such as SARS are unlike any invading force or army that comes across the border and onto the soil of a nation,” Senator Coleman said. “Too often the only evidence of the enemy having crossed the border is the trail of victims it leaves in its path...by then, the consequences are dire and catastrophic.

My commitment is to work with the CDC and the Senate Committee on Health, Education, Labor and Pensions to develop a national plan, using the skills, resources and knowledge of many of the people in this room—and those across our nation, local officials—who are fighting the good fight and are our best hope for victory.”

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 May 12, 2003

CONTACT:
 Tom Steward - 202/224-2995

COLEMAN WORKS WITH LOCAL EXPERTS ON BORDER SECURITY
ROCHESTER MAYOR ARDELL BREDE EXPRESSED ECONOMIC CONCERNS IN HIS TESTIMONY

May 12th, 2003 - SAINT PAUL, MN – Today, in his first ever hearing as Chairman of the Senate's Permanent Subcommittee on Investigations (PSI), Senator Norm Coleman, along with Senator Susan Collins (R-ME) and Senator Mark Dayton (D-MN), convened several local and regional experts for an official hearing on border security.

With panelists hailing from law enforcement and both the public and private sector, the hearing was held to hear the concerns of local and state officials and business leaders on the readiness of our state and nation to handle terrorism threats and attacks at our nation's borders.

"There has been much attention focused on what the federal government is doing nationally, and what major cities like New York and Chicago are engaged in on security," Coleman said. "Our focus is on Minnesota, and its specific and unique needs for security at its well traversed border."

Three panels made up of nine experts gave testimony from their respective area of expertise in border security covering water patrol, ground security, and air traffic management. The panelists made it clear that strong homeland security is crucial to Minnesotans for both safety reasons and economic reasons.

Rochester Mayor Ardele Brede offered testimony on the problems faced by local economies when there is a lack of resources to handle new security measures.

"Prior to 9/11, international patients would experience a one week waiting period in processing their visa. That waiting period is now at four to six weeks. This four to six week delay means they're going to find their treatment and care elsewhere," Brede said. "The amount of international patients at the Mayo Clinic has dropped by 23 percent and this has greatly affected Rochester's economy. It is estimated for every dollar that will be spent at the Mayo clinic by these patients, it means another two dollars for the community. That loss of revenue is devastating."

Representatives from Duluth and International Falls were also present to express their concerns from the front lines on border crossings and the need to address the large amount of shipments and automobiles that are not checked at the border. Currently only two to four percent of cargo both on water and on land is checked by security.

"The chain is only as strong as its weakest link, which is why Minnesota's borders must be just as secure as Washington or New York," Coleman said. "If we can't provide an equal amount of security here in Minnesota, our nation's level of safety goes down regardless of the strong border security anywhere else in the country. Our citizens must have confidence their leaders are taking these threats seriously by constantly assessing our situation."

Today's panelists included: Anne Lombardi, interim director of field operations at the Chicago bureau of customs and border protection; Commissioner Rich Stanek, Minnesota Department of Public Safety; Sheriff

Patrick McGowan, Hennepin County; Rochester Mayor Ardele Brede; Paul Nevanen, director of Koochiching Economic Development Authority in International Falls; Captain Ray Skelton, Environmental and Governmental Affairs Director, Duluth Seaway Port Authority; Steve Leque, manager of Rochester International Airport; Michael Curry, director of Security at Canadian Pacific Railway in Minneapolis; and John Hausladen, president of Minnesota Truckers Association.

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United States Senate
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
Committee on Governmental Affairs

Norm Coleman, Chairman
Carl Levin, Ranking Minority Member

FOR RELEASE
 May 5, 2003

CONTACT:
 Tom Steward - 202/224-2995

COLEMAN CALLS RELEASE OF MCCARTHY DOCUMENTS "REMINDER OF THE TREMENDOUS BURDEN OF PUBLIC TRUST" OF COMMITTEE WITH HISTORIC PAST

Says his tenure will be marked by focus on needed reforms and results

May 5th, 2003 - WASHINGTON, D.C. - Senator Norm Coleman (R-MN), Chairman of the Senate Permanent Subcommittee on Investigations (PSI), applauded the release of McCarthy-era records on the fiftieth anniversary of the controversial hearings held during the chairmanship of Senator Joseph R. McCarthy.

The release of all previously closed transcripts of executive sessions held behind closed doors in 1953-54 marks the largest opening of documents related to the McCarthy investigations into alleged communist infiltration of American institutions.

"The work of the Senate Permanent Subcommittee on Investigations is vital to American interests and concerns," PSI Chairman Coleman said. "As a former prosecutor, I understand not only the limits of the law, but how quickly abuses can occur. Senator McCarthy had an obligation to use his authority in a way to make America safer, and determine the influence of communism, if it existed, in American policy. Instead, he used his position to threaten, to intimidate and to destroy the lives of Americans."

Coleman, who as Chairman of the PSI Subcommittee, will hold his first hearings on SARS and the readiness of local and state governments to deal with the virus, and others like it, in the years ahead.

"My commitment is to use the broad power of this committee to address some of today's most pressing issues and to find ways to bring positive, goal-oriented solutions to the table to improve American life for the present and future generations."

Senator Coleman has indicated that his areas of interest will focus on identifying an issue or problem and finding solutions and making recommendations that can be implemented and make a difference on both the local and national level of government.

"As a mayor, I focused on getting things done. As Chair of PSI, my focus isn't going to be on going out and finding problems for the sake of finding problems. I want to find solutions and get things done. Americans have a keen interest in seeing their political leaders moving away from the 'gotcha' of today's partisan politics and move towards a new era of bi-partisan cooperation to get things done."

Coleman believes the McCarthy era is in direct conflict with the work of previous chairs, such as Harry Truman, who used the broad subpoena powers of the PSI to enact important reforms in American life.

"Former President Truman conducted hearings which offer us a reminder of the tremendous burden of public trust," said Coleman. "Our goal should be to enrich ourselves with information, to be open in our discussions, and to be respectful of the individual and collective rights of all Americans. That is my goal, and ultimately, that will be the burden and duty of this subcommittee."

All of the original transcripts are open and available for research at the center for Legislative Archives, National Archives and Records Administration. The complete five volume set is available on the Government Printing Office website at

<http://www.access.gpo.gov/congress/senate/senate12cp107.html>. A link to the McCarthy documents is also on the website of the Permanent Subcommittee on Investigations at http://www.senate.gov/~gov_affairs/psi.htm.

Printed copies of the hearings may be purchased from the Government Printing Office at

<http://bookstore.gpo.gov>. For further information on the McCarthy records, contact Dr. Donald A. Ritchie, Senate Historical Office, (202) 224-6816.

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